State legislature first and helped build a strong bipartisan bill in our committee that passed with a strong vote of 45–19. The economic crisis we are facing is no longer just a subprime crisis, but a credit crisis. Subprime losses are mounting and the economic pain is being felt in communities across this country, as the ripple of foreclosures spreads to neighborhoods and local economies. Economists estimate that between 2 million and 5 million families could lose their homes by the end of 2008, more than the number of families that lost their homes during the Great Depression.

Democrats are working hard to help families stay in their homes and prevent another crisis like this from happening in the future. I submit for the RECORD a list of legislative actions and other actions that Democrats in Congress have passed to help families stay in their homes. With this bill, we take the first step towards reforms for the future. The bill would bring mortgage brokers who are currently regulated on a state-by-state basis under a nationwide licensing registry, establish minimum standards for home loans, and expand certain limits on high-cost mortgages.

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It also would prohibit brokers from steering consumers to mortgages they are unlikely to be able to repay. It changes the incentives for all market participants.

The bill would also establish some legal liability for securitizers, but it also provides some liability protection to those companies if they meet certain due diligence requirements in reviewing the loans they are packaging. Any legislation on this issue must strike a very delicate balance that provides consumer protections without unnecessarily limiting the availability of loans to creditworthy borrowers.

I congratulate the chairman for coming forward with a well-balanced bill on a very difficult subject that is incredibly important. I urge my colleagues, we must pass this bill.

Tackling the problem of subprime mortgage reform is like slaying the many-headed Hydra of Greek mythology—unless you go about it the right way, for each head you chop off, two more vicious ones will grow in its place.

I congratulate Chairman FRANK for producing an ambitious and comprehensive bill that deals with many key aspects of this difficult issue.

It is a comprehensive and sweeping reform of the mortgage industry that would require all actors in the mortgage market to operate with the kind of accountability and regard for the consumer's best interest that the best mortgage lenders have always observed.

In this respect, the bill tracks the comments of Federal Reserve Chairman Ben Bernanke, who said in testimony before the JEC that limited and clearly defined assignee liability could prove beneficial.

To do this, the bill preempts State laws in the section dealing with securitizers, reflecting the concern that differing State laws would interfere with oversight of a national market. But it leaves States free to regulate in other areas where States have traditionally led the way in consumer protection for their citizens.

This is a well-balanced bill and I urge my colleagues to support it.

DEMOCRATS IN CONGRESS ARE WORKING TO HELP FAMILIES STAY IN THEIR HOMES

We need to act quickly to stem the tide of foreclosures that could ruin families, communities, and the economy.

The House has passed legislation to enable the FHA to serve more subprime borrowers at affordable rates and terms, attract borrowers who have turned to predatory loans in recent years, and offer refinancing to homeowners struggling to meet their mortgage payments.

Fannie Mae and Freddie Mac are providing much needed liquidity in the prime market right now. We passed a GSE reform bill in the House, but we should also raise the cap on these entities portfolio limits, at least temporarily, and direct all of those funds to help borrowers who are stuck in risky adjustable rate mortgages refinance to safer mortgages.

To make servicers more able to engage in workouts with strapped borrowers, we pushed FASB to clarify what its Standard 140 allows for modification of a loan when default is reasonably foreseeable, not just after default.

Congress should eliminate the cruel anomaly under Chapter 13 of the Bankruptcy Code which allows judges to modify mortgages on a borrower's vacation home or investment property, but not the home they actually live in. This allows families to stay in their home while new loan terms are worked out.

I think we should also eliminate the tax on debt forgiveness, sparing families the double-whammy of paying taxes on the lost value of their homes.

DEMOCRATS IN CONGRESS ARE WORKING TO PREVENT ANOTHER CRISIS

Our regulatory system is in serious need of renovation to catch up to the financial innovation that has surpassed our ability to protect consumers and hold institutions accountable.

Mr. BACHUS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. NEUGEBAUER) to speak in opposition to the bill.

Mr. NEUGEBAUER. Mr. Chairman, I do rise in opposition to this legislation, not because of the spirit of compromise and bipartisanship that was used to come to this conclusion, but because of a philosophical difference. I believe that when markets have their ups and downs that it is better for the Federal Government not to try to intervene in those market cycles, so I think it is better to have better information than to have regulation when it comes to the issue of subprime mortgages.

I have a little bit of experience in the mortgage business in that I was a mortgage originator. I was a homebuilder. I have sold and bought loans in the secondary market and I have owned a home and borrowed money on many mortgages. What I know is the system has worked, and we have record homeownership here in America today because we have had one of the most efficient mortgage markets in the world.

But what I do know is an important part of that transaction is that everybody in the transaction understands what the nature of the transaction is.

That is the reason I worked in a bipartisan way with the chairman and ranking member, along with my colleagues Mr. GREEN and Mr. MCHENRY, to make sure that we had a better disclosure piece of information for borrowers to look at, a universal box, if you would, that would allow borrowers to understand all of the terms and conditions of this mortgage and to be able to compare that out in the marketplace. Because what we do know is there is a lot of opportunities for people to get mortgages in this country today, or have been up to this point. What we want to make sure, Mr. Chairman, is in the future that they have that. But when they do take out that mortgage, they have the ability to look at the loan terms, the prepayment penalty, does this loan rate vary, and, if it does, what are the implications to that borrower. Because I believe, as one of my colleagues said earlier, the American people have the ability to make good choices when they are given good information.

So, I am pleased that in this particular piece of legislation there is a disclosure box that will help our consumers do a better job of making that decision in the future.

What I am disappointed in, Mr. Chairman, is the fact that we are going to, I think, put some very restrictive regulation on a market that may limit the ability for people to actually use that disclosure information in the future.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from Illinois (Ms. BEAN), another hardworking member of the committee.

Ms. BEAN. Mr. Chairman, I rise to urge support of H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act of 2007. As an original cosponsor, I commend Chairman FRANK and Ranking Member BACHUS for how they have drafted and brought this bill to the floor. It reflects highly on the deliberative and bipartisan nature of the Financial Services Committee I serve on.

This is one of the most important and balanced bills we have worked on this year, because Americans' homes are central to their lives. Families save and sacrifice to come up with a down payment towards the most significant and personal investment they will ever make. They raise their families, they dream their American Dreams, and they look forward to a retirement secured by the equity they have established. When house prices fall, when access to credit tightens, those dreams are threatened, and, for some, those dreams are destroyed by foreclosure.

When talking with constituents in my district about the current mortgage market, some are having difficulty making their monthly payments. Most are concerned with being able to sell their home when looking to move. All agree that we need better